



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill # HB0180

Title: Revise driver licensing laws

Primary Sponsor: Hollenbaugh, G.

Status: As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$2,573,250	\$2,594,835	\$2,608,310	\$2,621,855
Net Impact-General Fund Balance	<u>\$2,573,250</u>	<u>\$2,594,835</u>	<u>\$2,608,310</u>	<u>\$2,621,855</u>

Description of fiscal Impact: This bill raises application fees for driver licenses and identification cards.

FISCAL ANALYSIS

Assumptions:

1. This bill will be effective July 1, 2007.
2. This bill will requires payment of a new non-refundable \$10 application fee for the issuance or renewal of a driver's license.
3. There were 224,297 driver/commercial driver license applications and renewals in FY 2006. The Legislative Fiscal Division forecast driver/commercial driver license applications and renewals to be 228,596 in FY 2008, 230,495 in FY 2009, 231,647 in FY 2010, and 232,806 in FY 2011.
4. In FY 2008, this fee will result in a general fund revenue increase of \$2,285,960 (228,596 x \$10).
5. In FY 2009, this fee will result in a general fund revenue increase of \$2,304,950 (230,495 x \$10).
6. In FY 2010, this fee will result in a general fund revenue increase of \$2,316,470 (231,647 x \$10).

7. In FY 2011, this fee will result in a general fund revenue increase of \$2,328,060 (232,806 x \$10).
8. There were 35,098 replacements licenses issued in FY 2006.
9. This bill will require a payment of a new \$5 application fee for replacing a previously issued instruction permit or driver's license.
10. The Legislative Fiscal Division forecast driver/commercial driver license duplicate applications to be 35,798 in FY 2008, 36,107 in FY 2009, 36,228 in FY 2010, and 36,469 in FY 2011.
11. In FY 2008, this fee will result in a general fund revenue increase of \$178,990 (35,798 x \$5).
12. In FY 2009, this fee will result in a general fund revenue increase of \$180,540 (36,107 x \$5).
13. In FY 2010, this fee will result in a general fund revenue increase of \$181,440 (36,229 x \$5).
14. In FY 2011, this fee will result in a general fund revenue increase of \$180,235 (36,469 x \$5).
15. This bill requires payment of a new \$5 application fee and a \$2 identification card fee for each year or fraction of year for which the identifiable card will be in effect. Identification cards lost or replaced during the term of the card would be assessed a \$5 application fee and a \$5 card replacement fee.
16. There were 17,700 identification cards issued in FY 2006. The Department of Justice forecast identification card applications to be 18,050 in FY 2008, 18,225 in FY 2009, 18,400 in FY 2010, and 18,570 in FY 2011. Replacement issue applications are forecast to be 1,805 in FY 2008, 1,822 in FY 2009, 1,840 in FY 2010, and 1,857 in 2011.
17. Currently, the fee for an identification card is \$8 for a four year period. This fee is eliminated under the bill. The Department of Justice forecast the new fee of \$2 per year or fraction of year to earn the amount of revenue lost by the \$8 fee elimination.
18. In FY 2008, this fee will result in a general fund revenue increase of \$108,300 ((18,050 x \$5) + (1,805 x \$10)).
19. In FY 2009, this fee will result in a general fund revenue increase of \$109,345 ((18,225 x \$5) + (1,822 x \$10)).
20. In FY 2010, this fee will result in a general fund revenue increase of \$110,400 ((18,400 x \$5) + (1,840 x \$10)).
21. In FY 2011, this fee will result in a general fund revenue increase of \$111,445 ((18,575 x \$5) + (1,857 x \$10)).
22. The general fund impact of the bill is:
 - 2008: \$2,573,250 (\$2,285,960 + \$178,990 + \$108,300)
 - 2009: \$2,594,835 (\$2,304,950 + \$180,540 + \$109,345)
 - 2010: \$2,608,310 (\$2,316,470 + \$181,440 + \$110,400)
 - 2011: \$2,621,855 (\$2,328,060 + \$182,350 + \$111,445)
23. This bill is effective prior to the integration of the driver licensing application with the Montana Enhanced Registration and Licensing Information Network (MERLIN System) which will require a programming effort within the current Legacy system. The analysis and effort to add these fees to the motor vehicle system on the state mainframe could be absorbed into the existing budget by adjusting priorities in the department's work plan.

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Revenues:</u>				
General Fund (01)	<u>\$2,573,250</u>	<u>\$2,594,835</u>	<u>\$2,608,310</u>	<u>\$2,621,855</u>
TOTAL Revenues	<u><u>\$2,573,250</u></u>	<u><u>\$2,594,835</u></u>	<u><u>\$2,608,310</u></u>	<u><u>\$2,621,855</u></u>

Technical Notes: The Department of Justice has a budget request to fund the anticipated annual contractual increased costs of \$1.2 million general fund for the production of digital driver licenses and ID cards, automated driver license testing, and scheduling in Decision Package 1202. The request is not currently tied to this legislation.

Sponsor's Initials

Date

Budget Director's Initials

Date